



**RFP No. 0111-10-IAS  
INDEPENDENT AUDIT SERVICES**

February 4, 2010

**ADDENDUM #3**

To: **ALL PROSPECTIVE OFFERORS**  
Reference: **RFP No. 0111-10-IAS**

**This addendum must be acknowledged and returned with your proposal.**

**I. Attendee Firms at Pre-Proposal Conference 2/2/10 @ 10:00 AM**

BDO Seidman, LLP  
Clifton Gunderson LLP  
Reznick Group  
Witt Mares LLC

Brown, Edwards & Company, LLP  
Davis and Associates  
SD and Company, LLC

**II. Questions & Answers From Pre-Proposal Conference:**

- Q1. Can the City provide the Management and Internal Control Letters?  
A1. [Yes- The City will post the documents on its Purchasing and Procurement Web Page.](#)
- Q2. Are Timelines to be included the Proposal for each deliverable?  
A2. [No – Please submit timeline for the CAFR. Timelines for other deliverables will be negotiated and set each year.](#)
- Q3. Regarding the School Activity Fund Audit: (a) when is it generally ready for audit; (b) who prepares the report; (c) what is the accounting basis – cash or modified cash; (d) Is there one combined audit for all 4 schools; and (e) is the FY2009 audit completed?.  
A3. [\(a\) it is generally ready for audit in the July/August time frame; \(b\) the auditor prepares the report; \(c\) cash basis; \(d\) one report; and \(e\) yes.](#)
- Q4. Is the pension plan a non-Yellow Book audit?  
A4. [Yes.](#)
- Q5. Does the City have an internal audit staff?  
A5. [No.](#)
- Q6. Regarding the Northern Virginia Criminal Justice Academy (a) does it operate under the same controls as the City?; (b) the last audit in June was completed in March, is that the norm?  
A6. [\(a\) Yes; \(b\) Yes.](#)

- Q7. How are ARRA Funds set up?  
A7. Separate accounts just like our other Federal Grants.
- Q8. When will the draft CAFR be ready?  
A8. At the end of September. Final field work would begin early to mid September.
- Q9. Who manages the EDA accounts and is there a separate report for it?  
A9. The City manages the EDA accounts. There is no separate report, it is included as Other Supplementary Information in the CAFR.
- Q10. Did the previous auditor perform an inventory count observation?  
A10. Not for every year of the audit.
- Q11. What is the City's general accounting system?  
A11. MUNIS.
- Q12. The RFP calls for a D&B or other financial report. Is there a standard format for other than D&B?  
A12. No.
- Q13. How are the School's AP and Payroll functions managed?  
A13. The City and the Schools have separate AP & Payroll clerks.
- Q14. Regarding the OPEB: (a) Is there actually a separate trust fund established; (b) are the actuarial reports combined for the City, the Schools, and Northern Virginia Community College; and (c) when was the last actuarial valuation?  
A14. (a) There is a Trust Fund set up for OPEB for the City, the Schools, and the Northern Virginia Criminal Justice Academy. The funds are pooled for investment purposes; (b) there is one actuarial report for all entities but information for each entity is separately shown; (c) the last actuarial valuation was as of June 30, 2009.
- Q15. Who will be on the selection team?  
A15. The City CFO, Deputy Director of Finance, a representative from the Schools and one of the Constitutional Officers (one from either the Commissioner of Revenue's Office or Treasurer's Office).
- Q16. Are there any anticipated changes to City operations, regional agreements, bonds etc?  
A16. Yes there will be operational changes to address the budget shortfall. There may be discussion of city/schools unification. There may be a regional agreement related to fire services. There will be bond issues during the contract years mostly for water and sewer.
- Q17. Is the Single Audit done?  
A17. Yes but it's not yet been submitted.

Q18. Can you provide a copy of the Single Audit?

A18. It will be posted on the website.

Q19. Does the City prepare the SEFA?

A19. Yes

### III. RFP Modifications

The APA Transmittal Forms for Comparative Cost Report described in Section III "Scope of Work", subsection C.1 is modified and added to Section D "Deliverables" as follows:

7. APA Transmittal Forms for Comparative Cost Report Agreed-Upon Procedures

The Auditor of Public Accounts of the Commonwealth of Virginia requires all localities to complete transmittal forms in accordance with the provisions of the Uniform Financial Reporting Manual. The City shall prepare the forms and the awardee shall render its opinion to the Auditor of Public Accounts of the Commonwealth of Virginia no later than November **25** following the City's fiscal year end.

Firms must take due notice and be governed accordingly. All other terms and conditions remain the same. This Addendum is considered a part of the above referenced solicitation.

### Acknowledged by:

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Name of Firm

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Authorized Signature

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Date